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The Director of Central Intelligence
Washington, D.C. 20505

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21 October 1983

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM:
Assistant National Intelligence Officer for NESA

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SUBJECT: Forecasting and Warning Meeting Report, 20 October 1983

1. Palestinians-Syria: Arafat's Future. Arafat's position as Chairman of the PLO has been permanently undermined, bringing an end to an era. Arafat could salvage a role as titular head of the PLO, but the organization would largely be controlled by Syrian-backed rebel leaders, who have been gaining in strength and who are playing on a fairly broad spectrum of dissatisfaction with Arafat within the PLO. Retaining Arafat would be welcomed by other Arabs who want to maintain the continuity of the PLO and who regard Arafat as a symbol of Palestinian nationalism. All recognize, however, that the Syrians will now have the dominant voice in the organization.

The decline of Arafat removes from the scene any credible Palestinian leadership and makes it less likely that the Palestinian issue can be solved separately from the wider Arab-Israeli conflict. Analysts do not expect to see an alternative Palestinian leadership emerging from the West Bank. They doubt that King Hussein will seize the opportunity to renew the peace process unless he is strongly backed by the Arabs and the US.

Analysts do not foresee an increase in international terrorism resulting from the eclipse of Arafat's influence. Palestinian actions against Israeli targets in the Middle East and the MNF in Lebanon, however, will continue.

2. Lebanon: Outlook for the Political Process. Despite the fraying of the ceasefire and the postponement of the meeting of the National Reconciliation Committee, analysts agree the meeting will eventually be held, probably in Europe. The Lebanese Government's strategy will be to maintain the illusion that national reconciliation is taking place. It

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will seek a general statement of unity, farm the difficult details out to committees, form a new and expanded cabinet and work on getting the Israelis out. Gemayel will focus on the foreign forces issue as a substitute to dealing with the more intractable problems of an internal political settlement.

- The key factor is still Syria. Assad has shifted from the military to the political arena and now seems increasingly to be playing the role of spoiler. Some analysts believe Syria still worries that the Lebanese could muddle through and reach a political settlement that ignores Syrian interests. Syria probably will not be ready to return to a military option during the next six months, although it could be drawn into renewed fighting started by another actor.
- Damascus is in no hurry for a settlement. The current situation emphasizes to other Arabs and the West that Syria is a key player and cannot be ignored in any settlement. The current local ceasefire could hold for some time, although it will have to be frequently patched up.

The threat to the Marines and the MNF from sniping bombing attacks will increase, although prolonged heavy fighting probably will not resume until after the national reconciliaiton process clearly breaks down. The dilemma for the Marines is that the more they control their perimeter the more they come into conflict with radical gunmen over whom no one has any control. The Marines will remain an easy target for any group that wants to halt the peace process.

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4. Pakistan: Zia's Prospects. The agitation in Sind Province continues into the tenth week and shows no sign of abating. Instability in Sind demonstrates Zia's vulnerability and his failure to deal with Sindhi alienation could threaten the future integrity of the country.

- Zia remains in control, largely because the agitation has not spread to Punjab and the Army continues to back him. Zia has begun a dialogue with religious and conservative party leaders, but without major concessions he is unlikely to split them or isolate them from the Pakistan Peoples Party.
- While the Sind disturbances are an outgrowth of local grievances, the Indians and the Soviets are attempting to fan

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further agitation. Islamabad believes the Indians and Soviets are cooperating, although it still lacks proof. If New Delhi has decided to abet Soviet efforts to destabilize Pakistan, this would represent a reversal of Indian policy and an ominous threat to Pakistan.

If the situation remains unchanged, analysts agree that Zia stands a better than even chance of remaining in power over the next six months. Indications that the tide is beginning to turn against Zia, however, are somewhat larger demonstrations in Punjab and the involvement of students in protests over the past two weeks. Protests have also increased in Baluchistan and in Sind attacks on road and rail transport have caused some economic disruption in Karachi and Punjab. Spreading and prolonged disturbances -- even if they do not affect Punjab -- could raise doubts in the Army about Zia's capacity to rule. The Army probably would replace him if it believed Zia himself was the main obstacle to a settlement and that the law and order situation was out of control.

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